

## MRDDA Contract Administration

<b>Policy and Procedure Number:</b> CA101	<b>Title:</b> Process to Exercise Options
<b>Effective Date:</b> April 18, 2003	<b>Revision Number:</b> 0.0
<b>Approvals:</b> Bureau Chief of Contract Administration	<b>Page</b> 1 of 1

- 1.0 Policy** All options shall be executed forty-five (45) days prior to contract expiration.
- 2.0 Scope** The scope of this document is to establish procedures for exercising options under long term contracts with providers to MRDDA. Most of the MRDDA contracts are established for five (5) years, consisting of one (1) base year and four (4) one-year options. The Process to Exercise Options shall involve the Community Based Resource Specialists, the Services Management Specialists, the Bureau Chief of Contract Administration, the Budget Office, Case Manager(s) and the Office of Contracts and Procurement (OCP). The MRDDA contract gives the right to exercise options prior to the end of the contract's current year by providing advance notice to the provider.
- 3.0 Procedures** The process is cross-functional in nature and involves all the applicable parties.
- 3.1 Within one hundred and five (105) calendar days of the current contract year, the Services Management Specialist shall notify the Community Based Resource Specialist that a decision must be made as to whether an option to extend the contract for an additional year should be exercised.
  - 3.2 Upon receipt of the notice, the Community Based Resource Specialist shall contact the appropriate Case Manager(s) for input. If a decision is made to request that the option be exercised, the Community Based Resource Specialist shall write a justification for the services within ten (10) business days of the receipt of the notice and send to the Bureau Chief of Contract Administration.
  - 3.3 Within two (2) business days, the Bureau Chief of Contract Administration shall send the justification to the Services Management Specialist.
  - 3.4 The Services Management Specialist shall complete a Contractor Performance Report (CPR) within two (2) business days.

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- 3.5 Within ten (10) business days of receipt of the justification, the Services Management Specialist shall create the 3-in-1 form and forward to the Bureau Chief of Contract Administration for approval. Within the same ten (10) business days, the Services Management Specialist shall also create a Determination and Findings (D&F) for exercising the option along with supporting documentation that includes information on provider performance, justification for the option, reference to the contract option clause and pricing. Standard formats provided by OCP shall be used.
- 3.6 Once the documents required in section 3.5 are received, the Bureau Chief of Contract Administration shall approve or reject the request within two (2) business days. If approved, the Services Management Specialist shall send the 3-in-1 form and supporting documentation to the Budget Office for the pre-encumbrance of funds. This task shall be performed within two (2) business days. If rejected, the Bureau Chief of Contract Administration shall send the request back to the Services Management Specialist to address the areas of concern.
- 3.7 Within three (3) business days of receipt of the 3-in-1, the Budget Office shall pre-encumber the funds and send the completed form to the OCP.
  - 3.7.1. If insufficient funds are available to support the request, the Office of the Chief Financial Officer (CFO), and the MRDDA Administrator shall meet in an effort to arrange financing within seven (7) business days.
- 3.8 The OCP shall review the supporting documentation to certify that proper procurement procedures were followed and shall return the 3-in-1 and supporting documentation to the Budget Office for full encumbrance within three (3) business days of receipt.
- 3.9 The Budget Office shall fully encumber the funds and return the 3-in-1 and supporting documentation to the OCP within two (2) business days.
- 3.10 The OCP shall make the award and send the contract documents to the provider for review and signature. This task shall be performed within three (3) business days.
- 3.11 The Provider shall review, sign and return the contract documents to the OCP within three (3) business days.

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- 3.12 The OCP shall sign and distribute the contract documents to Accounts Payable, the Services Management Specialist and the provider within two (2) business days.
- 3.13 The Services Management Specialist shall forward the contract documents to the Community Based Resource Specialist within one (1) business day.

### 4.0 Process Flow

The attached process flow chart indicates the above steps, the roles and responsibilities of the parties, the expected outcome, and the number of days allocated to each step in the process.

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